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May 13, 2008

TO: Members of the Regional Office Center Working Group

FROM: Mayor James M. Cavanaugh, Goodyear, Chair

SUBJECT: MEETING NOTIFICATION AND TRANSMITTAL OF TENTATIVE AGENDA FOR
THE REGIONAL OFFICE CENTER WORKING GROUP WITH A POSSIBLE
EXECUTIVE SESSION

Monday, May 19, 2008 - 10:30 a.m.
MAG Office, Suite 200, Cholla Room
302 North 1st Avenue, Phoenix

A meeting of the Regional Office Center Working Group with a possible executive session has been scheduled for the time and place noted above. Members of the Working Group may attend the meeting either in person, by telephone conference, or by video conference.

Please park in the garage under the building. Bring your ticket to the meeting, parking will be validated. For those using transit, the Regional Public Transportation Authority will provide transit tickets for your trip. For those using bicycles, please lock your bicycle in the bike rack in the garage.

Pursuant to Title II of the Americans with Disabilities Act (ADA), MAG does not discriminate on the basis of disability in admissions to or participation in its public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Alana Chávez at the MAG office. Requests should be made as early as possible to allow time to arrange the accommodation.

If you have any questions regarding the Working Group agenda items, please contact Mayor James Cavanaugh at (623) 882-7782. For MAG staff, please contact Dennis Smith, MAG Executive Director, at (602) 254-6300.

c: Dave Boggs, Executive Director, RPTA
Steve Olson, Executive Director, AMWUA
Rick Simonetta, President/CEO, METRO
Dennis Smith, Executive Director, MAG

A Voluntary Association of Local Governments in Maricopa County

City of Apache Junction ▲ City of Avondale ▲ Town of Buckeye ▲ Town of Carefree ▲ Town of Cave Creek ▲ City of Chandler ▲ City of El Mirage ▲ Fort McDowell Yavapai Nation ▲ Town of Fountain Hills ▲ Town of Gila Bend
Gila River Indian Community ▲ Town of Gilbert ▲ City of Glendale ▲ City of Goodyear ▲ Town of Guadalupe ▲ City of Litchfield Park ▲ Maricopa County ▲ City of Mesa ▲ Town of Paradise Valley ▲ City of Peoria ▲ City of Phoenix
Town of Queen Creek ▲ Salt River Pima-Maricopa Indian Community ▲ City of Scottsdale ▲ City of Surprise ▲ City of Tempe ▲ City of Tolleson ▲ Town of Wickenburg ▲ Town of Youngtown ▲ Arizona Department of Transportation

**REGIONAL OFFICE CENTER WORKING GROUP
TENTATIVE AGENDA**

COMMITTEE ACTION REQUESTED

1. Call to Order

2. Regional Office Center Update

On April 7, 2008, a pre-meeting including the Board Chairs and administrative officials of MAG, the RPTA, METRO and the Arizona Water Municipal User's Association (AMWUA) met to discuss the status of the Regional Office Center. The consensus of the group was for the agencies to pursue steps regarding future office space. On April 14, 2008, the MAG Regional Council Executive Committee reviewed and prioritized the steps recommended. On April 23, 2008, the MAG Regional Council approved the MAG Regional Council Executive Committee's recommendation. Since the Regional Council meeting, staff has proceeded in accordance with this direction and prepared information for consideration by the Working Group.

MAG staff met with representatives from the City of Phoenix Real Estate Division to review assumptions for the downtown Phoenix real estate market. Staff subsequently met with personnel from the RPTA, METRO and AMWUA to review these assumptions, analyze the current agency leases and project staff growth to identify the amount that would be spent in the next 15 years. On April 24, 2008, staff issued a specification seeking commercial properties for sale and lease that would accommodate a program similar in size to the rescoped Regional Office Center project with a minimum of 157,521 useable SF. On May 2, 2008, a total of six respondents submitted proposed locations. A review panel met on May 7, 2008 and selected 14 comparable commercial market opportunities for sale and/or lease for consideration.

On April 25, 2008, staff met with Mr. David Kaye to discuss the status of the 1st Avenue/McKinley site and provide notification

2. Information, discussion and possible action to recess the meeting and go into executive session for the purpose of discussion and consultation with attorneys for legal advice and to consider position concerning negotiations of agreements and acquisition of property concerning the Regional Office Center A.R.S. 38-431.03(A)(3) and (4).

The meeting may then be reconvened to take action to recommend the following:

1) Pursue information on other properties for sale and/or lease as directed; 2) Proceed with negotiations with Mr. David Kaye on the 1st Avenue and McKinley site; and 3) Proceed with rescoping the existing Regional Office Center project including using one-half of the existing parcel, reduce the size of the conference center, reduce the parking garage, and evaluate whether to include the rooftop terrace and media center in the program to attain a Guaranteed Maximum Price for the building.

to terminate the option payment of \$38,000 per month. Mr. Kaye indicated that he would be willing to renegotiate the price per square foot of the property and offered that future monthly payments could be applied towards the total purchase price of the property.

Staff will present for consideration the tentative budget developed from projecting the current agency leases over a 15-year period, comparable commercial market opportunities for sale and/or lease, and a level of confidence for the Regional Office Center.

The Working Group may vote to recess the meeting and go into executive session for the purpose of discussion and consultation with attorneys for legal advice and to consider position concerning negotiations of agreements and acquisition of property concerning the Regional Office Center A.R.S. 38-431.03(A)(3) and (4).

The meeting may then be reconvened to take action regarding negotiations of agreements concerning the Regional Office Center.

Please see enclosed material. Additional confidential material will be forwarded to members of the Working Group.

3. Adjournment